



March 3, 1998

CMSP Letter No.: 98-1

Date Issued: March 3, 1998

TO: ALL COUNTY MEDICAL SERVICES PROGRAM (CMSP) COUNTY
WELFARE DIRECTORS

SUBJECT: IMPACT OF PRINCIPE V. BELSHÉ ON THE COUNTY MEDICAL
SERVICES PROGRAM (CMSP)

REFERENCE: MEDI-CAL ALL COUNTY WELFARE DIRECTORS LETTER
(ACWDL) 97-41

The Medi-Cal ACWDL 97-41 instructed counties, effective February 1, 1998, to implement the provisions in the Principe vs. Belshé settlement. These provisions allow individuals to retroactively spenddown excess property on qualified medical expenses to establish eligibility for Medi-Cal with the month of application. The Medi-Cal Eligibility Branch believes that this settlement will affect very few individuals who may have been denied the month of application due to excess property which the individual was unable to spenddown during that month.

This CMSP Letter is to remind CMSP counties that the provisions of Principe vs. Belshé **do not** affect current CMSP policy or regulations since CMSP was not enjoined in the lawsuit. Currently, CMSP allows for retroactive spenddown for the one month prior to the month of application. Section 0421(b) of the CMSP Eligibility Manual states:

"(b) If the property reserve exceeded but was not more than double the property limit in the month for which retroactive CMSP coverage is requested, the CFBU shall be eligible under the following conditions:

- (1) All eligibility requirements except for the property limit shall be met.
- (2) The excess property reserve...shall be spent for medical bills incurred during the month for which retroactive CMSP coverage is requested.

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(3) The person requesting retroactive CMSP coverage shall complete the Records of Health Care Costs Spenddown, showing that the excess property was spent as required in (2)...."

In addition to the completed Records of Health Care Costs Spenddown, the county should also obtain verification, such as current bank statements or other documentation, that the excess resources have been liquidated.

However, this policy does not extend to the month of application. Counties should examine the availability of resources for the application month if there is an indication that the applicant was unable to access them due to reasons outside his or her control (such as hospitalization, etc).

Should you have any additional questions or comments on this issue, please direct them to Mr. Gary Varner of my staff at (916) 322-1613.

Sincerely,



Linda McFarland, Chief
County Medical Services Program Unit

cc: ✓ Mr. Gary Varner
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